



## FINANCE COMMITTEE MINUTES

Thursday, June 29, 2023, 9:00 A.M.

Willowbank Office Building  
420 Holmes Street, Room 146  
Bellefonte, PA 16823

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### I. CALL TO ORDER

Chair of the Committee, Commissioner Mark Higgins called the Finance Committee meeting to order at 9:03 A.M. on Thursday, June 29, 2023.

In attendance were Commissioner Mark Higgins, Commissioner Amber Concepcion, Commissioner Steve Dershem, Administrator John Franek, Jr., Director of Finance and Budget Richard Killian, Treasurer Colleen Kennedy, Controller Jason Moser, Deputy Controller Terri Fisher, and Procurement/Contract Analyst Lisa Kerns.

County personnel present included Natalie Corman and Julie Lutz.

Guests present included Bob Belicose and Lysie Deibert from Maher Duessel.

### II. PUBLIC COMMENT

There were no comments received from the public.

### III. ADDITIONS TO THE AGENDA

There were no additions made to the agenda.

### IV. MEETING MINUTES

The Committee will consider approving the minutes from the Finance Committee meeting held on Thursday, May 25, 2023.

*Action: On a motion by Controller Moser, and seconded by Treasurer Kennedy, the Committee voted unanimously to approve the minutes from the meeting held on May 25, 2023.*

### V. OLD BUSINESS

#### A. ERP System Update

Controller Moser reported that they are moving through the process. He said they are having multiple meetings per week with Univerus and Plante Moran. The first onsite workshops are scheduled for the end of July to test the system. Data conversion and getting the data ready will take place after that.

VI. NEW BUSINESS

A. 2022 Audit – Maher Duessel

Controller Moser introduced Bob Belicose and Lysie Deibert from Maher Duessel. Bob provided a presentation of the draft results of the 2022 Annual Comprehensive Financial Report (ACFR). He reported the financial highlights: GASB 87 leases implementation, unspent revenue of \$38 million as of December 31, net pension liability of \$20 million, new bond issue, bonds payable of \$47 million as of December 31, and a net position of \$51 million at year's end. He also reported the statement of activities with a change in net position of \$4.7 million. In fund balances, the total for the year was \$50 million. He mentioned that General fund revenue was consistent through the year, with nothing to report on the expenditure side. Capital funds were at \$30.9 million. Of note was opioid settlement in the amount of \$1.5 million and compensated absences in the amount of \$2.34 million.

Bob reported that the ACFR will be issued tomorrow, June 30. The Single Audit will be worked on in July and August, and a draft audit will be presented at the August Finance Committee meeting. The filing deadline is September 30. There were no significant reportable items to be included in the 2022 ACFR.

B. Budget Process 101

Richard Killian provided information and documents on the budget process to describe the current process and to iron out details as we move into the 2024 budget kick-off. He described the three budgetary levels: the legal level is at the fund level (16 funds), the control level is at the department level, and the departmental level is the department manager's responsibility for overseeing their budget. The Finance Department supports this monitoring and the Controller's office is the ultimate front line for rejecting payments not within the budget.

Department heads would be allowed to move funds between accounts, with some exceptions. Budget revisions approved by the Commissioners would be required for revisions at the fund level. The Finance Department would process other types of revisions or adjustments, but some budget revisions may still require Commissioners' approval. Richard said the departments would have more control and accountability regarding their budgets. He added that this would be more accurate and reduce paperwork, and it would be a move to get back to basics. Official budget revisions would still be required for equipment, travel, courses, and new grants. He also provided a 2001 Budget Revision Policy which described similar levels of control, where budget revisions are approved by the Commissioners and by Finance.

C. Interest Earnings for May

Treasurer Kennedy reported that May was a very good month, and it was the highest interest earning month since January. By the end of May, over a half million dollars in

interest was earned for the year. She noted that interest rates continue to rise. She also pointed out that the large increase in interest earned for the PLGIT money market funds is due to \$17 million in tax proceeds being moved into the account. Other PLGIT money market funds are in term accounts and \$17 million remains in liquid money.

D. Financial Reports for May

Richard Killian reviewed the May reports which included expenditures by functions – covering all funds, General Fund expenditures with the prior-year comparison, General Fund revenue with the prior-year comparison, overtime budget and expenditures with the prior-year comparison, General Fund and debt service real estate taxes collected since 2016. He also included a “May’s Special Feature” report, which was a salary and benefit summary with a comparison to 2022.

Richard pointed out several General Fund departments with expenditures exceeding the budget to include Juvenile Probation, Fire/Emergency Training, and CDBG, with the overall at 36%. In General Fund revenue, departments exceeding the budget, included out Tax Collection, Weights and Measures, and Housing. The overall rate was 57%. In overtime, he reported that the rate was 26%, adding that last year’s was much more. For the salary and benefit summary, he noted that the total burn rate as of the end of May was 44% and the rate as of June 23 was 46%.

VII. DISCUSSION ITEMS

There were no discussion items.

VIII. ANNOUNCEMENTS

- A. The next Finance Committee meeting is scheduled for Thursday, July 27, 2023, at 9:00 A.M. in Room 146 of the Willowbank Office Building.

IX. ADJOURNMENT

On a motion by Treasurer Kennedy, and seconded by Commissioner Dershem, the Committee voted unanimously to adjourn the meeting at 9:54 A.M.

ATTEST

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John Franek, Jr.  
Administrator